Gansler Issues New Performance-Based Services Acquisition (PBSA) Guidance



THE UNDER SECRETARY OF DEFENSE 3010 DEFENSE PENTAGON WASHINGTON, D.C. 20301-3010

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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS DIRECTOR, DEFENSE LOGISTICS AGENCY

As services become an increasingly significant component of what the Department buys, we SUBJECT: Performance-Based Services Acquisition (PBSA) As services become an increasingly significant component of what the Department buys must ensure that we acquire them effectively and efficiently. That is why the use of performance must ensure that we acquire them effectively and efficiently. This is important to the second acquire them effectively and efficiently. must ensure that we acquire them effectively and efficiently. I hat is why the use of performance-based acquisition strategies for services remains among my highest priorities. This is important for all based acquisition strategies for services remains again in the policy of the Department of of th pased acquisition strategies for services remains among my nignest priorities. I his is important for all functional communities involved in the service acquisition process. It is the policy of the Department of functional communities involved in the service acquisition process. tunctional communities involved in the service acquisition process. It is the policy of the Department Defense (DOD) that, in order to maximize performance, innovation, and competition, often at lower Defense (DOD) that, in order to maximize performance, innovation, and competition of continuous transfer and the process for the possible performance based experiences for the possible performance based experiences for the possible performance and the process of the possible performance based experiences for the possible performance and the process of the possible performance based experiences for the possible performance and the performance based experiences for the possible performance and the performance are the performance are the performance and the performance are the performance and the performance are the performance are the performance and the performance are the performance and the performance are the performance and the performance are the performance are the performance and the performance are the perf Defense (UUU) that, in order to maximize performance, innovation, and competition, often at lower cost, performance-based strategies for the acquisition of services are to be used wherever possible. cost, performance-based strategies for the acquisition of services are to be used wherever possible.

While not all acquisitions for services can be conducted in a performance-based manner, the vast while not all acquisitions for services hand strategies are to be used wherever possible which performance hand strategies are to be used wherever possible which performance hand strategies are to be used wherever possible which performance hand strategies are to be used wherever possible. vvnile not all acquisitions for services can be conducted in a performance-based manner, the vast majority can. Those cases in which performance-based strategies are not employed should become

In order to ensure that the Department continually realizes these savings and performance gains, I establish, at a minimum, that **50** percent of service acquisitions, measured both in dollars and gains, I establish, at a minimum, that **50** percent of service acquisitions, measured both in dollars and actions, are to be performance-based by the year **2005**. To achieve this goal, I further direct that the actions, are to be performance-based by the year **2005**. To achieve this goal, I turther direct that the Military Departments and the Defense Logistics Agency develop a **PBSA** implementation plan to increase the use of parformance based continuous developments. the exceptions. Military Departments and the Detense Logistics Agency develop a **PBSA** implementation plan to increase the use of performance-based service acquisition strategies within their organizations not lead the performance of the performance acquisition in the performance of the perform Increase the use of performance-based service acquisition strategies within their organizations not later than 60 days from the date of this memorandum. In addition, training is essential to increasing later than **bu** days from the date of this memorandum. In addition, training is essential to increas performance-based acquisition for services, and I am committed to providing to the acquisition performance the training and tools produced to define acquire and manage continuous requirements. performance-pased acquisition for services, and I am committed to providing to the acquisition workforce the training and tools needed to define, acquire, and manage service requirements workforce the training and tools needed to define, acquire, and manage service requirements and the efficiently and effectively. For example, the National Association of Purchasing Management and the National Association being acquired to the deviation of the d eniciently and effectively. For example, the National Association of Purchasing Management and the National Contract Management Association have each collaborated in the development of a PBSA straining of the Internation o National Contract Management Association have each collaborated in the development of a **PBSA** course, available via the Internet or for on-site team training. I ask that you ensure that your relevant course, available via the Internet or for on-site team training. I ask that you ensure that your relevant course, available via the Internet or for on-site team training. course, available via the internet or for on-site team training. I ask that you ensure that your relevant workforce take this or equivalent performance-based services acquisition training within the next 12 worktorce take this or equivalent performance-pased services acquisition training within the next 12 months. As well, **PBSA** templates and guidebooks will be available to the entire workforce by May

The attachment provides the necessary details regarding the PBSA implementation plan, training requirements, and other Department-wide **PBSA** initiatives. The use of true performance training requirements, and other Department-wide PBSA initiatives. The use of true performance-based strategies for the acquisition of services offers great benefits to the Department. I look forward based strategies for the acquisition of services of such attacking the following t 2000. based strategies for the fullest possible implementation of such strategies. to your efforts to ensure the fullest possible implementation.

Attachment As stated



Editor's Note: This information is in the public domain. To download the attachment to Dr. Gansler's memorandum, go to the Defense Acquisition Reform Web site at http://www.acg.osd.mil/ar/vpreport 8-99/mainmenu.htm.